

INFORMATION REPORT

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1. East Germany is suffering from a serious shortage of [lathe] steel¹ used in the manufacture of shafts, screws, rectifier parts, measurement devices, etc. East German factories have received allocations for only 60 percent of the [lathe] steel provided for in the original 1954 material allocation plan, which was drafted in January 1954. The original plan was later revised upward, so that plants have received only 40 percent of the allocations provided for in the plan which is currently valid. It must be borne in mind, however, that these allocations exist only on paper. Actually, East German enterprises received only about 12 percent of their [lathe] steel requirements during the first quarter of 1954 (based on the plan currently valid).
2. In East Germany [lathe] steel is produced by VEB Walzwerk fuer Schwarzmetall in Thale, VEB Walzwerk Hennigsdorf and VEB Walzwerk Riesa. [lathe] steel is also imported from the USSR.
3. The East German Council of Ministers is currently discussing a proposal that several East German Ministries be authorized to conduct direct negotiations with CEMA and with Tekhnopromimport, Moscow. The object of the direct negotiations is to increase immediately [lathe] steel imports from the USSR and Soviet satellites.

25X1A 1. [] Comment. Automatenstahl